

# TG Railway Enterprises, Inc.

1900 EPPS AVENUE, FORT WORTH, TX. 76104 (817) 921-5001

Trini Guillen  
President

May 25, 1982

RECORDATION NO. **13653**

JUN -1 1982 -11 00 AM

INTERSTATE COMMERCE COMMISSION

Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

2-152A022

No. 1 JUN 1 1982

Date.....

Fee \$ 50.00

ICC Washington, D. C.

FEE OPERATION BR.

JUN 1 9 52 AM '82

RECEIVED

Dear Sir:

Enclosed herewith for recordation in accordance with 49 CFR, Part 1116, are an original and two counterparts of a Security Agreement dated May 25, 1982, executed by Bob Clark, d/b/a Clark Mfg., a sole proprietorship, in favor of TG Railway Enterprises, Inc.

In compliance with 49 CFR 1116.4, we advise you as follows:

Name and Address of Debtor (Mortgagor)

Bob Clark, d/b/a Clark Mfg.  
9156 Rose Street  
Bellflower, California 90706

Name and Address of Secured Party (Mortgagee)

TG Railway Enterprises, Inc.  
1900 Epps Avenue  
Fort Worth, Texas 76104

Description of Equipment Covered by Document

Two (2) railway box cars, bearing the following numbers:

NCTR-1880

NCTR-1881

Interstate Commerce Commission  
May 25, 1982  
Page 2

Upon recordation you are authorized and requested  
to return a copy of the enclosed document to:

TG Railway Enterprises, Inc.  
1900 Epps Avenue  
Fort Worth, Texas 76104

Attention: Mr. Trini Guillen, President

Yours very truly,



Trini Guillen  
President

TG:nh

Enclosures

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

OFFICE OF THE SECRETARY

**Trini Guillen**  
**President**  
**TG Railway Enterprises, Inc.**  
**1900 Epps Avenue**  
**Fort Worth, Texas 76104**

**June 1, 1982**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **6/1/82** at **10:00AM**, and assigned re-recording number(s). **13653**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

JUN -1 1982 -10 02 AM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

This Security Agreement is made as of the 25th day of May, 1982, between BOB CLARK, d/b/a CLARK MFG., a sole proprietorship ("Debtor"), 9156 Rose Street, Bellflower, California, 90706, and TG RAILWAY ENTERPRISES, INC. ("Secured Party"), 1900 Epps Avenue, Fort Worth, Texas, 76104.

Debtor does hereby GRANT, BARGAIN, SELL, TRANSFER, CONVEY and ASSIGN unto Secured Party, and GRANTS Secured Party a security interest in, all of the following described property now owned or hereafter acquired by Debtor (the "Collateral"):

(a) Two (2) railway box cars (the "cars") bearing the following numbers:

NCTR-1880  
NCTR-1881

together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the cars and all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to any of the cars, the term "cars" including all of the property described in this paragraph (a), whether now owned or hereafter acquired; and

(b) All present and future rents, revenues, issues, income, profits, rights, benefits, casualty payments, insurance proceeds, condemnation awards and all other payments and entitlements of any description whatever of, from or relating to any of the cars, regardless of whether the same may be classified as accounts, contract rights, chattel paper, general intangibles or any other class or type of property under the law of any jurisdiction; and

(c) All proceeds of all of the foregoing;

and Debtor also hereby GRANTS to Secured Party the continuing immediate and irrevocable right and power, either in its own name or that of Debtor, to receive, collect and give receipt for all present and future rents, revenues, issues, profits, rights, benefits, casualty payments, insurance proceeds, condemnation awards and other payments and entitlements of any description whatever of, from or relating to any of the cars.

THIS GRANT IS MADE for the purpose of securing payment of the following obligations (the "Secured Indebtedness") of Debtor to Secured Party:

(a) A promissory note ("First Note") dated May 25, 1982, signed by Debtor and made payable to the order of Secured Party in the original principal amount of \$23,795.83; and

(b) A promissory note ("Second Note") dated May 25, 1982, signed by Debtor and made

payable to the order of Secured Party in the original principal amount of \$23,903.45; and

(c) Any and all other or additional indebtedness or liabilities for which Debtor is now or may hereafter become liable to Secured Party in any manner, whether under this Agreement or otherwise, either primarily or secondarily, absolutely or contingently, directly or indirectly, and whether matured or unmatured, joint, several, or joint and several, regardless of whether the same originated with Secured Party or was originally payable to or in favor of someone other than Secured Party or is or was acquired by Secured Party by assignment or otherwise; and

(d) Any and all extensions and renewals of and substitutes for any of the foregoing indebtedness and liabilities or any part thereof.

Debtor REPRESENTS, WARRANTS and AGREES to and with Secured Party as follows:

Section 1. Payment. Debtor promises to pay the Secured Indebtedness punctually when due, and if any of the Secured Indebtedness is not evidenced by a writing specifying a due date, to pay the same upon demand, all Secured Indebtedness being payable to Secured Party at his address shown below.

Section 2. Place of Business and Records.

(1) Debtor's chief place of business and chief executive office and office where his records of accounts and contract rights and other business records are kept is at 9156 Rose Street, Bellflower, California, 90706, and shall not be changed without Secured Party's prior written approval.

(2) Debtor shall at all times keep complete and accurate records of the Collateral. Secured Party may, from time to time, have access to and examine and copy such records. When required by Secured Party, Debtor shall furnish Secured Party with such certificates (in such form as Secured Party may specify) and other data concerning any or all of the Collateral as Secured Party may require. Secured Party may request confirmation and information directly from any persons managing or dealing with any of the cars on Debtor's behalf or from any lessee, account debtor or other obligor obligated with respect to any of the Collateral.

Section 3. Title. (1) Debtor is and shall remain absolute owner of all of the Collateral, free of any encumbrance or claim in favor of another, except for the security interest of Secured Party, and Debtor, at his expense, shall defend against all claims and demands of any person at any time claiming any interest in any of the Collateral adverse to Secured Party. All rights of any managing party and all present and future leases and subleases of any of the cars are and shall be subordinate to the rights of Secured Party.

(2) Except for any financing statement or filing in favor of Secured Party, no financing statement or other filing covering any of the Collateral has been executed by Debtor or is on file with any public office. Debtor has not granted or given and shall not grant or give a security interest or financing statement covering any of the Collateral to anyone other than Secured Party. Upon Secured Party's request, and at Debtor's expense, Debtor shall execute and deliver to Secured Party and procure the execution and delivery by third parties of such financing statements, transfers, agreements and other instruments and documents and do all other acts and things which, in the judgment of Secured Party, are necessary or proper to establish and maintain in favor of Secured Party a valid first and prior secured interest in the Collateral. Upon Debtor's failure to do so, Secured Party may sign any financing statement or other instrument or document on Debtor's behalf. Debtor shall pay the cost of preparing and filing all financing statements and other instruments and documents.

(3) Debtor shall immediately cause each car to be plainly, distinctly, permanently and conspicuously stenciled with the following legend on each side of the car in letters of not less than one inch in height:

THIS CAR IS SUBJECT TO A SECURITY AGREEMENT AND CHATTEL MORTGAGE RECORDED UNDER THE UNIFORM COMMERCIAL CODE AND SECTION 20c OF THE INTERSTATE COMMERCE ACT.

(4) Debtor shall conspicuously mark his copy of all leases covering any of the cars and his records of car leases with a notation reflecting this assignment to Secured Party. Upon Secured Party's request, Debtor shall deliver to Secured Party the original of any lease or other agreement covering any of the cars which are in Debtor's possession.

(5) If any of the Collateral is or becomes subject to any certificate of title statute or similar registration law of any jurisdiction, Debtor shall cause Secured Party's interest to be noted on the certificate or otherwise in accordance with the law.

Section 4. Sales. Except as expressly provided in Section 5, Debtor may not sell, lease or otherwise dispose of any of the Collateral or any interest in any of the Collateral, except such items as to which Debtor has previously obtained Secured Party's written release.

Section 5. Leasing and Management of Cars.

(1) Any management agreement (the "management agreement") entered into by Debtor under which a third party (the "manager") is to manage the railway car for Debtor shall be in form and substance satisfactory to Secured Party. Secured Party shall be furnished with a copy of any executed management agreement.

(2) So long as no Event of Default has occurred or exists, a manager may lease and let the cars in accordance with a management agreement, and may continue to do so thereafter in the absence of contrary instructions from

Secured Party. Debtor shall keep and perform all of its obligations under any management agreement and shall not suffer or permit any event or condition to occur or exist which gives rise to a right in favor of any lessee under any management agreement to withhold rental or other payments from Debtor other than withholding normal expenses and management or service fees.

(3) Without Secured Party's prior written approval, Debtor may not amend, modify, supplement, change, terminate or accept a surrender of a management agreement.

Section 6. Collections. (1) In the absence of contrary instructions from Secured Party, at his expense, Debtor shall take all necessary action promptly to collect rents and other payments included in the Collateral, including specifically (but without limitation) all payments due or becoming due Debtor under any management agreement, and shall promptly advise Secured Party of any nonpayment punctually when due by the lessee, account debtor or other obligor obligated with respect to any of the Collateral.

(2) When and to the extent required by Secured Party, Debtor (a) shall immediately upon receipt pay directly to Secured Party all proceeds of Collateral in the exact form received (with any necessary endorsement) and (b) shall immediately notify any managers, lessees, account debtors and other obligors obligated with respect to any of the Collateral to make payments directly to Secured Party.

(3) At its option, at any time and at Debtor's expense, Secured Party may notify any managers, lessees, account debtors and other obligors obligated with respect to any of the Collateral to make payments directly to it and may collect, sue, compromise on terms it considers proper, endorse, settle or otherwise deal with any of the Collateral and proceeds of Collateral, either in its own name or that of Debtor. After deduction of any expenses of collection, including attorneys' fees, all proceeds received by Secured Party shall be applied to payment of the Secured Indebtedness, whether due or not, in such order as Secured Party may choose. At any time, and from time to time, Secured Party may make like application of the proceeds of Collateral received directly from Debtor or third parties pursuant to Section 6(2) hereof.

(4) Debtor shall furnish Secured Party with a copy of all reports of receipts and disbursements with respect to the cars received by Debtor from any party managing the cars on Debtor's behalf.

Section 7. Use and Maintenance of Collateral.

(1) Debtor shall not suffer or permit the cars to be used or taken outside the continental United States (excluding Alaska) and Canada or used in violation of any applicable law or governmental regulation.

(2) Debtor shall not suffer or permit the cars to be damaged, wasted or allowed to depreciate, ordinary wear and tear from their intended primary use excepted. Without limiting the foregoing, Debtor shall maintain the

cars as may, from time to time, be required by all applicable governmental rules and regulations and interchange rules of the American Association of Railroads or similar rules governing use and maintenance of the cars.

(3) Secured Party may inspect the cars at any time, and upon request, Debtor shall inform Secured Party of the location of the cars.

Section 8. Taxes and Insurance. (1) Debtor shall pay when due all taxes and assessments and discharge any liens upon the Collateral or its use and shall maintain insurance as required by Section 8(2). All policies, or other proof of insurance satisfactory to Secured Party, together with proof of premium payment, shall be furnished to Secured Party, and all policies shall provide for a minimum of ten (10) days' written cancellation notice to Secured Party. Debtor appoints Secured Party his attorney-in-fact to adjust and settle claims thereunder, and to endorse the drafts of any insurers. All proceeds of any policy, including any refunded unearned premium, may be received by Secured Party and applied to payment of the Secured Indebtedness, whether due or not in such order as Secured Party may elect. If Debtor fails to pay any tax or assessment, discharge any lien or maintain insurance as required, Secured Party may, at its option, pay, discharge or obtain the same, though not required to do so, and never to be liable for failing to do so, and Debtor shall reimburse Secured Party on demand for any payment made by Secured Party in so doing, with interest at the highest rate lawful.

(2) Debtor shall maintain, or cause to be maintained, insurance written by companies and in amounts satisfactory to Secured Party insuring the cars against loss or damage by collision, fire, explosion or other perils, the risk of which is customarily insured against by railroads or other owners of similar property, with a deductible not to exceed \$\_\_\_\_\_ per car, and also comprehensive general liability insurance with limits of bodily injury liability of not less than \$\_\_\_\_\_ each occurrence and in the aggregate and property damage liability of not less than \$\_\_\_\_\_ each occurrence and in the aggregate and an umbrella liability insurance policy with limits of liability of not less than \$\_\_\_\_\_. Secured Party shall be named a loss payee on all insurance covering any property in which the Secured Party holds a security interest.

Section 9. Law Applicable - Effect of Agreement.

(1) This Agreement is made under and shall, in all respects, be governed by the laws of the State of Texas, including (without limitation) all matters of construction, interpretation, validity, performance and perfection.

(2) This Agreement shall be deemed and construed to be, and may be enforced as, a security agreement, chattel mortgage, assignment or power of attorney, and as one or more of them if appropriate under the laws of any jurisdiction, and by granting Secured Party a security interest in the Collateral, it is intended to grant Secured Party such rights and remedies as are available under the laws of any other jurisdiction analogous to a security interest under the laws of the State of Texas regardless of how such rights



and remedies may be characterized under the laws of the other jurisdiction.

(3) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent prohibited or unenforceable without invalidating the remaining provisions of this Agreement in any other jurisdiction. In the event of a partial invalidity in any jurisdiction, the remaining provisions of this Agreement shall be liberally construed so as to give effect, to the greatest extent permissible, to the intention expressed by the invalid provision.

Section 10. Additional Warranties. (1) Debtor warrants to Secured Party, in addition to the other warranties and representations contained herein, that:

(a) Each certificate, document, schedule or other writing furnished to Secured Party pursuant to this Agreement is and shall be true, correct, complete, valid and genuine and what they purport or are represented to Secured Party to be.

(b) Debtor is not in default with respect to any obligation to which he is a party or by which he is bound.

(2) All of the warranties and representations contained in this Agreement are and will be, in all respects, true and correct, both as of this day and throughout the term of this Agreement, and the warranties contained in Section 10(1)(a) will be true and correct as of the date each item there mentioned is furnished to Secured Party.

Section 11. Other Covenants. From the date of this Agreement and until all of the Secured Indebtedness is fully paid and satisfied, Debtor agrees, in addition to the other agreements contained herein, that:

(a) Debtor shall furnish Secured Party with such financial statements of Debtor and other information concerning Debtor's financial condition, business and business affairs as Secured Party may from time to time request.

(b) Debtor shall pay, when due, all taxes, assessments and other liabilities except and so long as contested in good faith.

(c) Debtor shall promptly and fully perform all of its obligations under this Agreement, the First Note, the Second Note, and any other agreements with Secured Party (whether now existing or entered into hereafter).

(d) Debtor shall pay all filing fees and the cost of preparing, obtaining and furnishing to Secured Party all statements, opinions, reports, certificates, schedules, documents, insurance and all other items required to be furnished to Secured Party pursuant to this Agreement, or any request made by Secured Party pursuant to this

Agreement, all of which shall be in form and substance satisfactory to Secured Party.

Section 12. Default and Remedies. As used in this Agreement, the term "Event of Default" means the occurrence or existence of any of the following events or conditions:

(a) Debtor's failure to make punctual payment when due of any of the Secured Indebtedness or the failure of Debtor to keep or perform any covenant, agreement or undertaking contained in this Agreement or any other agreement with Secured Party (whether now existing or made hereafter); or

(b) Any warranty, representation or statement contained in this Agreement or made or furnished to Secured Party by or on behalf of Debtor in connection with this Agreement proves to have been false in any material respect when made or furnished; or

(c) The default by Debtor in the performance of any obligation owed to someone other than Secured Party resulting in acceleration or maturity of any indebtedness or the commencement of any foreclosure proceedings against Debtor except and so long as being contested in good faith provided Secured Party is given prompt notice of the acceleration or commencement of proceedings; or

(d) Debtor's insolvency or business failure, or the appointment of a receiver for any part of the property of Debtor or Debtor's assignment for the benefit of creditors, or the commencement of any proceedings under any bankruptcy or insolvency law by or against Debtor; or

(e) The attachment, garnishment or other seizure by judicial process of any property of Debtor, or any loss, theft, substantial damage or destruction of any of the cars; or

(f) The commencement or existence of any litigation or governmental proceedings against Debtor which, in the opinion of Secured Party, will materially adversely affect the financial condition or continued operation of Debtor; or

(g) Any material adverse change in the financial condition of Debtor; or

(h) The occurrence or existence of any event or condition which gives rise to a right in favor of a manager under any management agreement to withhold rental or other payments from Debtor other than withholding for normal expenses and management or service fees.

Section 13. Remedies. (1) Upon the occurrence of an Event of Default, and at any time thereafter, Secured Party may, without notice to Debtor, declare all or any of the Secured Indebtedness immediately due and payable, and

Secured Party will have, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of Texas, including, without limitation, the right to sell, lease or otherwise dispose of any or all of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may enter upon any premises upon which the Collateral or any part thereof may be situated and remove it. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party.

(2) Unless the Collateral is perishable or threatens to decline speedily in value, or is of the type customarily sold on a recognized market, Secured Party shall give Debtor notice of the time and place of any public sale or other disposition of the Collateral or the time after which any private sale or other disposition is to be made by sending notice, as provided below, at least five (5) days before the sale or disposition, which provisions for notice Debtor agrees are reasonable.

(3) After deducting all costs and expenses of every kind incurred or incidental to the retaking, holding, advertising, preparing for sale or disposition or selling, leasing or otherwise disposing of the Collateral, or in any way relating to Secured Party's rights, including, without limitation, attorneys' fees, legal expenses and costs of any repairs considered necessary by Secured Party, all of which costs and expenses Debtor agrees to pay, Secured Party may apply the net proceeds of any sale, lease or other disposition of the Collateral to payment of the Secured Indebtedness, whether due or not, in such order as Secured Party may elect, and only after full payment of all Secured Indebtedness and all other payments which Secured Party may be required by law to make, need Secured Party account to Debtor for any surplus. Debtor shall remain liable to Secured Party for the payment of any deficiency, with interest at the highest lawful rate.

(4) Any management agreement is and shall be subordinate to the rights of Secured Party. Upon the occurrence of an Event of Default, Secured Party may, at its option, take possession of the cars and terminate all services of any manager with respect to the cars regardless of whether Secured Party's so doing may result in any breach of contract on the part of Debtor, and Secured Party shall have no liability to Debtor, or any manager, lessee, sublessee or other person for so doing. Debtor shall indemnify Secured Party from all claims and demands which may be asserted against it by reason of Secured Party's termination of the services of any manager or taking possession of the cars after an Event of Default.

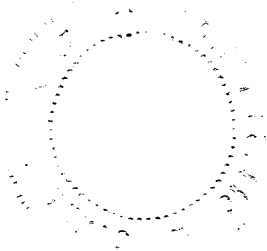
(5) Whenever an attorney is used to collect any Secured Indebtedness or enforce any right of Secured Party against Debtor under this Agreement, whether by suit or other means, Debtor agrees to pay to Secured Party a reasonable attorneys' fee. Debtor also agrees to pay Secured Party's attorneys a reasonable fee for enforcing against third parties any other rights of Secured Party pertaining hereto, including undertaking collection of any Collateral and defending against any claims pertaining to the Collateral.

THE STATE OF TEXAS   §

COUNTY OF TARRANT   §

BEFORE ME, the undersigned authority, on this day personally appeared TRINI PUILLEN, PRESIDENT of TG RAILWAY ENTERPRISES, INC., a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said TG RAILWAY ENTERPRISES, INC., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25<sup>th</sup> day of MAY, 1982.



Nancy Ann Hooker  
Notary Public in and for  
the State of Texas

NANCY ANN HOOKER  
(Type or Print Name of Notary)

## FINANCING STATEMENT

This Financing Statement is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code of Texas.

1. Name and address of Debtor:

Bob Clark, d/b/a Clark Mfg.  
9156 Rose Street  
Bellflower, California 90706

2. Name and address of Secured Party:

TG Railway Enterprises, Inc.  
1900 Epps Avenue  
Fort Worth, Texas 76104

3. This Financing Statement covers the following types or items of collateral:

All of the following described property now owned or hereafter acquired by Debtor:

(a) Two (2) railway box cars (the "cars") described as follows:

Two (2) railway box cars (the "cars"), bearing the following numbers:

NCTR-1880  
NCTR-1881

together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the cars and all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to any of the cars, the term "cars" including all of the property described in this paragraph (a), whether now owned or hereafter acquired; and

(b) All present and future rents, revenues, issues, income, profits, rights, benefits, casualty payments, insurance proceeds, condemnation awards and all other payments and entitlements of any description whatever of, from or relating to any of the cars, regardless of whether the same may be classified as accounts, contract rights, chattel paper, general intangibles or any other class or type of property under the law of any jurisdiction.

4. Proceeds of collateral are also covered, but the claim of proceeds should not be construed as evidencing any authority on the part of Debtor to sell or otherwise dispose of any collateral.

DEBTOR:



Bob Clark, d/b/a Clark Mfg.,  
a sole proprietorship